GRESHAM HOUSE plc

INTERIM RESULTS 2006

CHAIRMAN'S INTERIM STATEMENT

Dear Shareholder,

The results for the half year ended 30th June 2006 show a profit attributable to equity shareholders of £209,000 against a profit of £30,000 for the comparable period last year and a profit of £1,649,000 for the capital account as against a profit of £1,737,000 for the same period last year. Overall, basic earnings per ordinary share were 38.1p against 36.3p for the first half of 2005.

The major variances in the Revenue account between the two periods concerned were the increase in rental income of £311,000 offset by the increase in operating expenses of £242,000.

As anticipated in my statement contained within the Report and Accounts for 2005 the property units at Speke have generated a rental income of £197,000 during the six months ended 30th June 2006 compared with virtually nothing (£2,000) in the comparable period last year. This has subsequently increased to an annualised income of £466,000 since the period end. A number of enquiries are being actively pursued and marketing continues in respect of the 251,000 square feet that currently remain vacant.

With regard to the increase in operating costs, this is due in the main to a write back in the six month period ended 30th June 2005 of a specific provision for bad debts no longer required amounting to £228,000. If this item is ignored for comparison purposes the operating costs have remained at or around the same overall level.

The major part of the increase in the capital account is as a result of gains on the investment portfolio amounting to £1,289,000. There have been significant increases in the value of our investments in Hallin Marine Subsea International plc (£277,000), Image Scan Holdings plc (£312,000), Plus Markets Group plc (£334,000) and SpaceandPeople plc (£214,000) offset by falls in Egdon Resources plc (£124,000) and Transense Technologies plc (£164,000), all of which are quoted in the AIM market. As a result the Group's basic net asset value has risen from 775.7p as at 1st January 2006 to 808.8p as at 30th June, an increase of 33.1p or 4.3%. By comparison the FTSE All Share Index has increased by 4.2% over the same period.

During the period under review the Board made further investments in the unquoted share portfolio of £412,000, the largest being in Solar Technologies Group Limited, a company which specialises in the installation of solar power units. Further details of a selection of the portfolio which demonstrates the range of companies in which we invest, can be found on the Gresham website www.greshamhouse.com.

Following the Budget, on 27th March 2006 I announced our intention to de-merge the Group's property interests into a qualifying REIT structure. I am please to confirm that this process moves forward albeit slower than we originally anticipated. Implementation of the proposals will require an Extraordinary General Meeting of the Company which we intend to convene as soon as reasonably practicable.

Your Board continues with its strategy of seeking innovative early stage investments in companies that have a real prospect of high growth whilst at the same time seeking the progressive development of the Group's property portfolio.

A P Stirling
Chairman

28th September 2006

UNAUDITED CONSOLIDATED INCOME STATEMENT

for the half year ended 30th June 2006

	Half year ended 30th June 2006			Half year ended 30th June 2005			Year ended 31st December 2005		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income:									
Dividend and interest income	**179**	**–**	**179**	142	–	142	329	–	329
Rental income	**1,270**	**–**	**1,270**	959	–	959	2,098	–	2,098
Other operating income	**161**	**–**	**161**	179	3,000	3,179	323	–	323
Total Revenue	**1,610**	**–**	**1,610**	1,280	3,000	4,280	2,750	–	2,750
Gains on investments held at fair value	**–**	**1,289**	**1,289**	–	(1,336)	(1,336)	–	2,824	2,824
Movement in fair value of property investments	**–**	**360**	**360**	–	–	–	–	6,144	6,144
Total income and gains on investments	**1,610**	**1,649**	**3,259**	1,280	1,664	2,944	2,750	8,968	11,718
Expenses									
Other operating expenses	**(939)**	**–**	**(939)**	(697)	–	(697)	(1,691)	–	(1,691)
Finance costs	**(576)**	**–**	**(576)**	(519)	–	(519)	(1,151)	–	(1,151)
	(1,515)	**–**	**(1,515)**	(1,216)	–	(1,216)	(2,842)	–	(2,842)
Profit/(loss) before taxation	**95**	**1,649**	**1,744**	64	1,664	1,728	(92)	8,968	8,876
Taxation	**–**	**121**	**121**	–	73	73	–	(1,240)	(1,240)
Profit/(loss) for the period	**95**	**1,770**	**1,865**	64	1,737	1,801	(92)	7,728	7,636
Attributable to:									
Equity holders of the parent	**209**	**1,649**	**1,858**	30	1,737	1,767	140	7,399	7,539
Minority interests	**(114)**	**121**	**7**	34	–	34	(232)	329	97
	95	**1,770**	**1,865**	64	1,737	1,801	(92)	7,728	7,636
Basic earnings per Ordinary Share (Note 2)			**38.1p**			36.3p			154.8p
Diluted earnings per Ordinary Share (Note 2)			**38.1p**			36.3p			154.7p

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30th June 2006

	Half year ended 30th June 2006					
	Ordinary share capital £'000	Share premium £'000	Share Based payments £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance at 31st December 2005	1,218	822	12	44,155	(8,401)	37,806
Profit for the period	–	–	–	1,649	209	1,858
Ordinary dividend paid (Note 3)	–	–	–	–	(244)	(244)
Balance at 30th June 2006	1,218	822	12	45,804	(8,436)	39,420

	Half year ended 30th June 2005					
	Ordinary share capital £'000	Share premium £'000	Share Based payments £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance as at 31st December 2004	1,212	761	–	36,756	(8,346)	30,383
Profit for the period	–	–	–	1,737	30	1,767
Ordinary dividend paid (Note 3)	–	–	–	–	(195)	(195)
Issue of shares	6	61	–	–	–	67
Balance at 30th June 2005	1,218	822	–	38,493	(8,511)	32,022

	Year ended 31st December 2005					
	Ordinary share capital £'000	Share premium £'000	Share Based payments £'000	Capital reserve £'000	Retained earnings £'000	Total £'000
Balance as at 31st December 2004	1,212	761	–	36,756	(8,346)	30,383
Profit for the period	–	–	–	7,399	140	7,539
Ordinary dividend paid (Note 3)	–	–	–	–	(195)	(195)
Issue of shares	6	61	–	–	–	67
Share based payments	–	–	12	–	–	12
Balance at 31st December 2005	1,218	822	12	44,155	(8,401)	37,806

UNAUDITED CONSOLIDATED BALANCE SHEET

as at 30th June 2006

Assets	30th June 2006 £'000	30th June 2005 £'000	31st December 2005 £'000
Non current assets			
Investments held at fair value	13,789	11,263	12,774
Property investments	34,626	25,728	34,226
Property, plant and equipment	506	517	512
Total non current assets	48,921	37,508	47,512
Current assets			
Trade and other receivables	500	3,310	389
Accrued income and prepaid expenses	1,015	1,029	1,170
Other current assets	9,390	6,386	8,904
Cash and cash equivalents	1,188	2,605	863
Total current assets	12,093	13,330	11,326
Total assets	61,014	50,838	58,838
Current liabilities			
Trade and other payables	2,329	1,918	2,615
Short term borrowings	9,952	5,530	9,549
Current tax payable	17	17	17
Total current liabilities	12,298	7,465	12,181
Total assets less current liabilities	48,716	43,373	46,657
Non current liabilities			
Long term borrowings	7,009	10,326	6,449
Deferred taxation	1,509	317	1,631
	8,518	10,643	8,080
Net assets	40,198	32,730	38,577
Capital and reserves			
Ordinary share capital (Note 4)	1,218	1,218	1,218
Share premium	822	822	822
Share based payments	12	–	12
Capital reserve	45,804	38,493	44,155
Retained earnings	(8,436)	(8,511)	(8,401)
Equity attributable to equity shareholders	39,420	32,022	37,806
Minority interest	778	708	771
Total equity	40,198	32,730	38,577
Basic net asset value per ordinary share (Note 5)	808.8p	657.0p	775.7p
Diluted net asset value per ordinary share (Note 5)	807.4p	656.3p	775.1p

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

for the half year ended 30th June 2006

	6 months to 30th June 2006 £'000	6 months to 30th June 2005 £'000	12 months to 31st December 2005 £'000
Cashflow from operating activities			
Investment income received	118	47	117
Interest received	61	95	212
Rental income received	1,122	904	2,145
Other cash payments	(749)	(445)	(1,235)
Net cash generated from operations	552	601	1,239
Interest paid on 8% Secured Redeemable Loan Stock 2006	(146)	(146)	(293)
Interest paid on property loans	(506)	(425)	(754)
Net cash flows from operating activities	(100)	30	192
Cash flows from investing activities			
Purchase of investments	(1,137)	(1,186)	(2,295)
Sale of investments	1,411	307	1,106
Purchase of investment properties	(365)	(128)	(1,532)
Disposal of investment properties	–	–	105
Purchase of developments in hand	(203)	(286)	(652)
	(294)	(1,293)	(3,268)
Cash flows from financing activities			
Repayment of loans	(252)	(3,234)	(3,484)
Receipt of loans	1,215	–	321
Share capital issued	–	67	67
Equity dividends paid	(244)	(195)	(195)
	719	(3,362)	(3,291)
Increase/(decrease) in cash and cash equivalents	325	(4,625)	(6,367)
Cash and cash equivalents at start of period	863	7,230	7,230
Cash and cash equivalents at end of period	1,188	2,605	863

PRINCIPAL ACCOUNTING POLICIES

The Group's principal accounting policies are as follows:

(a) Basis of accounting

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRS have been adopted by the European Union.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of properties and investments held at fair value through profit and loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Trust Companies ("the AITC") in December 2005 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings made up to 30th June 2006. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AITC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. Net capital returns may not be distributed by way of a dividend. The net revenue is the measure the directors believe appropriate in assessing the Group's compliance with certain requirements set out in section 842 of the Income and Corporation Taxes Act 1988.

(e) Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the entity. The Group's associates are accounted for in accordance with IAS39 Financial Instruments: Recognition and Measurement ("IAS 39") as investments designated at fair value through profit and loss and, in accordance with paragraph 1 of IAS 28 Investments in Associates ("IAS 28"), equity accounting is not required.

(f) Segmental reporting

A business segment is a group of assets and operations that are subject to risks and returns that are different from those of other business segments. The group comprises of two business segments: the Investment Trust and Property Investment. This is consistent with internal reporting. All revenues are derived from operations within the United Kingdom and consequently no separate geographical segment information is provided.

(g) Income

(i) Dividend and interest income

Income from listed securities and interest receivable on bank deposits is accounted for on a receivable basis. Interest receivable on loans is accounted for on an accruals basis.

PRINCIPAL ACCOUNTING POLICIES – Continued

(g) Income – continued

(ii) Rental income

Rental income comprises property rental income receivable net of VAT.

(iii) Construction income

The group recognises turnover and profit in respect of its performance under a long term contract when, and to the extent that, it obtains the right to consideration for work completed. This is derived from an assessment of the fair value of goods and services provided to the period end date as a proportion of the fair value of the contract.

Amounts recoverable on contracts which are included as debtors are stated at cost plus attributable profit less any foreseeable losses. Payments received on account of contracts are deducted from accounts recoverable on contracts in debtors or long term contract balances in stock. Where such amounts have been received and exceed amounts recoverable, the net amounts are included in creditors.

(h) Expenses

All expenses and interest payable are accounted for on an accruals basis. All expenses are allocated to revenue except the expenses which are incidental to the disposal of an investment, which are deducted from the disposal proceeds of the investment.

(i) Property, plant and equipment

All property, plant and equipment with the exception of freehold property is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The freehold property is held at deemed cost at the date of the transition to IFRS less depreciation.

Depreciation on property, plant and equipment is provided principally on a straight line basis at varying rates of between 2% and 25% in order to write off the cost of assets over their expected useful lives. Freehold property is depreciated at the rate of 2% per annum.

(j) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the income statement is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the income statement, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under section 842 of the Income Corporation Taxes Act 1988 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

PRINCIPAL ACCOUNTING POLICIES – Continued

(j) Taxation – continued

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(k) Operating leases

Amounts payable under operating leases are charged directly to the Income Statement on a straight line basis over the period of the lease. The aggregate cost of operating lease incentives provided by the Group are recognised as a reduction in rental income on a straight line basis over the lease term.

(l) Investments

(i) Securities

Purchases and sales of listed investments are recognised on the trade date, the date on which the Group commit to purchase or sell the investment. All investments are designated upon initial recognition as held at fair value, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by taking into account the guidelines issued by the British Venture Capital Association as follows:

(i) Investments which have been made in the last 12 months are valued at cost in the absence of overriding factors;

(ii) Investments in companies at an early stage of development are also valued at cost in the absence of overriding factors;

(iii) Where investments have gone beyond the stage in their development in (ii) above, the shares may be valued by having regard to a suitable price-earnings ratio to that company's historic post-tax earnings or the net asset value of the investment; and

(iv) Where a value is indicated by a material arm's length market transaction by a third party in the shares of a company, that value may be used.

(ii) Properties

Investment properties are included in the balance sheet at fair value and are not depreciated.

(m) Developments in hand

Developments in hand are valued at the lower of cost and net realisable value. Third party interest which relates to properties held for, or in the course of, development is capitalised as incurred. Profits and losses arising from the sale of developments are dealt with through the Income Statement.

(n) Trade and other receivables

Other receivables do not carry any interest and are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(o) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Dividends payable

All dividends are recognised in the period in which they are approved by shareholders.

PRINCIPAL ACCOUNTING POLICIES – Continued

(q) Bank borrowings

All bank loans are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement. Interest costs on property loans attributable to non current assets are charged to the Income Statement as incurred. Interest costs on property loans attributable to current assets are capitalised.

(r) Convertible loan notes

Convertible loan notes issued by the Group are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market rate for similar non-convertible debt. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

(s) Trade and other payables

Other payables are not interest-bearing and are stated at their nominal value.

(t) Capital reserves

Capital Reserve – Realised.

The following are accounted for in this reserve:

– gains and losses on the realisation of securities and property investments.

– realised exchange differences of a capital nature.

– expenses and finance costs, together with the related taxation effect, charged to this reserve in accordance with the above policies.

– realised gains and losses on transactions undertaken to hedge an exposure of a capital nature including guarantees.

Capital Reserve – Unrealised.

The following are accounted for in this reserve:

– increases and decreases in the valuation of investments held at the year-end.

– unrealised exchange differences of a capital nature.

– provisions charged against carrying value of investments held at the year end.

– provisions for deferred taxation in respect of revalued properties.

(u) Long term contracts

The group recognises turnover and profit in respect of its performance under a long term contract when, and to the extent that, it obtains the right to consideration for work completed. This is derived from an assessment of the fair value of the goods and services provided to the year end date as a proportion of the fair value of the contract.

Amounts recoverable on contracts which are included in debtors are stated at cost plus attributable profit less any foreseeable losses. Payments received on account of contracts are deducted from accounts recoverable on contracts in debtors or long term contract balances in stock. Where such amounts have been received and exceed amounts recoverable, the net amounts are included in creditors.

PRINCIPAL ACCOUNTING POLICIES – Continued

(v) Government grants

Capital based government grants are capitalised and offset against the cost of the asset in the Balance Sheet with any resultant increase in the fair value of the asset being credited to capital reserves.

Revenue based government grants are credited to the Income Statement in the same year as the expenditure is charged.

(w) Pensions

The cost of payments to personal pension schemes for employees is charged against profits in the period in which they are incurred.

(x) Share based payments

The cost of granting share options and other share based remuneration to employees and directors is recognised through the Income Statement with reference to the fair value at the date of grant. In the case of options granted, fair value is measured using an option pricing model and charged over the vesting period of the options.

NOTES TO THE FINANCIAL STATEMENTS

1. Comparative information

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the half year ended 30th June 2006 and 30th June 2005 has not been audited.

The information for the year ended 31st December 2005 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31st December 2005 have been filed with the Registrar of Companies. The report of the auditors on those financial statements contained no qualification or statement under section 237(2) or (3) of the Companies Act 1985.

2. Earnings per share

Basic return

The Basic earnings per share figure is based on the net gain attributable to equity holders of the parent for the half year of £1,858,000 (half year ended 30th June 2005: £1,767,000; year ended 31st December 2005: £7,539,000) and on 4,873,880 (half year ended 30th June 2005: 4,867,499; year ended 31st December 2005: 4,870,716) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

Diluted return

The Diluted earnings per share figure is based on the net gain attributable to equity holders of the parent for the half year of £1,858,000 (half year ended 30th June 2005: £1,767,000; year ended 31st December 2005: £7,539,000) and on 4,882,556 (half year ended 30th June 2005: 4,872,488; year ended 31st December 2005: 4,874,628) ordinary shares, being the weighted average number of ordinary shares in issue during the period together with 8,676 (half year ended 30th June 2005: 4,989; year ended 31st December 2005: 3,912) shares deemed to been issued at nil consideration as a result of options granted or pursuant to the terms of the 8% secured loan stock issued by Gresham House Finance plc.

The earnings per ordinary share figures detailed above can be further analysed between revenue and capital as follows:

	Half year ended 30th June 2006 £'000	Half year ended 30th June 2005 £'000	Year ended 31st December 2005 £'000
Net revenue profit attributable to equity holders of the parent	209	30	140
Net capital profit attributable to equity holders of the parent	1,649	1,737	7,399
Net total profit	1,858	1,767	7,539
Weighted average number of ordinary shares in issue during the period			
Basic	4,873,880	4,867,499	4,870,716
Diluted	4,882,556	4,872,488	4,874,628
Basic earnings per share	Pence	Pence	Pence
Revenue	4.3	0.6	2.9
Capital	33.8	35.7	151.9
Total basic earnings per share	38.1	36.3	154.8
Diluted per share	Pence	Pence	Pence
Revenue	4.3	0.6	2.9
Capital	33.8	35.7	151.8
Total diluted earnings per share	38.1	36.3	154.7

NOTES TO THE FINANCIAL STATEMENTS – Continued

3. Dividends

	Half year ended 30th June 2006 £'000	Half year ended 30th June 2005 £'000	Year ended 31st December 2005 £'000
Amounts recognised as distributions to equity holders in the period: Final dividend for the year ended 31 December 2005 of 5p (2004: 4p) per share	244	195	195

4. Ordinary Share Capital

	30th June 2006 £'000	30th June 2005 £'000	31st December 2005 £'000
Share Capital Authorised: £4,750,000 (30th June 2005 & 31st December 2005: £4,750,000) Allotted: Ordinary – 4,873,880 (30th June 2005 & 31st December 2005: 4,873,880) fully paid shares of 25p each	1,218	1,218	1,218

5. Net Asset Value per Share

Basic

Basic net asset value per ordinary share is based on Equity attributable to equity shareholders of £39,420,000 (half year ended 30th June 2005: £32,022,000; year ended 31st December 2005: £37,806,000) and on 4,873,880 (half year ended 30th June 2005: 4,873,880; year ended 31st December 2005: 4,873,880) ordinary shares being the number of ordinary shares in issue at the period end.

Diluted

Diluted net asset value per ordinary share is based on Equity attributable to equity shareholders at each respective period end and on 4,882,556 (half year ended 30th June 2005: 4,878,869; year ended 31st December 2005: 4,877,792) ordinary shares. The number of shares is based upon the number of shares in issue at the period end together with those number of shares deemed to have been issued at nil consideration as a result of options granted or under the terms of the 8% Secured Loan Stock issued by Gresham House Finance plc.

NOTES TO THE FINANCIAL STATEMENTS – Continued

6. Segmental reporting

	Investment £'000	Property Investment £'000	Other Activities £'000	Consolidated £'000
Half year ended 30th June 2006				
Revenue	279	1,270	–	1,549
Result	1,629	1,560	–	3,189
Unallocated corporate expenses				(930)
Operating profit				2,259
Interest expense				(576)
Interest income				61
Profit before taxation				1,744
Half year ended 30th June 2005				
Revenue	225	959	–	1,184
Result	1,890	729	–	2,619
Unallocated corporate expenses				(467)
Operating profit				2,152
Interest expense				(519)
Interest income				95
Profit before taxation				1,728
Year ended 31st December 2005				
Revenue	390	2,148	–	2,538
Result	3,099	7,487	–	10,586
Unallocated corporate expenses				(771)
Operating profit				9,815
Interest expense				(1,151)
Interest income				212
Profit before taxation				8,876

All revenue is derived from operations within the United Kingdom.

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